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NEWS RELEASE

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FOR IMMEDIATE RELEASE

July 14, 2004

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GRAND JURY RETURNS SUPERSEDING INDICTMENT AGAINST WITTIG AND LAKE

TOPEKA, Kan. – United States Attorney Eric Melgren announced today that a superseding indictment was returned by a federal grand jury in Topeka against **David C. Wittig**, 48, Topeka, Kansas, former President, CEO and Chairman of the Board of Directors of Westar, and **Douglas T. Lake**, 54, New Canaan, Connecticut, former Executive Vice President of Strategic Planning of Westar.

The superseding indictment returned by the federal grand jury today charges an additional eleven counts of engaging in monetary transactions derived from an unlawful activity; no longer charges any counts of making false statements to government agencies; and charges one less count of wire fraud.

“As investigations continue in complex cases, the need often arises for superseding indictments to clarify or change the charges alleged by the grand jury, and in light of recent rulings by the Supreme Court,” Melgren said. “Such was the case today when a federal grand jury in Topeka returned a superseding indictment against Wittig and Lake. We will not comment on specific charging decisions made by a grand jury because of the rules governing grand jury investigations and proceedings. This revised and superseding indictment will streamline the presentation of evidence at trial”

Wittig and Lake are each charged with one count of conspiracy to defraud Westar; fourteen counts of circumventing internal accounting controls and falsifying books, records and accounts required to be kept by Westar; seven counts of wire fraud through interstate telephone communications; seventeen counts of engaging in monetary transactions derived from an unlawful activity; and one count of forfeiture of all the real and personal property traceable to these offenses including all base pay; all bonuses; the Landon Mansion; approximately \$1,974,289.20 in art and interior furnishing; a 2001 Ferrari; all unpaid compensation, contract rights and benefits; and any arbitration award.

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Melgren said that Wittig and Lake are each scheduled to make their initial appearance on the superseding indictment on August 11, 2004, at 9:00 a.m. in U.S. District Court in Kansas City, Kansas, before U.S. Magistrate Judge James P. O'Hara. A copy of the superseding indictment is available at www.usdoj.gov/usao/ks/. A jury trial is set for September 7, 2004, at 9:00 a.m. in U.S. District Court in Kansas City, Kansas, before U.S. District Judge Julie A. Robinson.

Westar is a publicly traded utility company headquartered in Topeka, Kansas, which since 1997 has generated more than \$1 billion dollars in revenue annually.

Prior to joining Westar, Wittig was a managing director and investment banker at Salomon Brothers in New York, and Lake was an investment banker with Bear Stearns in New York who had also previously worked with Wittig at Salomon Brothers.

The indictment alleges that during their brief tenure with the Company, Wittig and Lake presided over a company whose stock prices went from \$44.00 a share to less than \$9.00. As debt increased to more than \$3 billion – placing the company on the brink of bankruptcy – Wittig and Lake allegedly received more than \$25 million and \$7 millions, respectively, in compensation and benefits. The indictment alleges that Wittig and Lake deprived Westar and its shareholders of the right to honest services and obtained compensation, bonuses and assets under false pretenses from 1995, when Wittig was hired, through 1998, when Lake was hired, until 2002.

The indictment further alleges that Wittig and Lake sought to systematically loot Westar of money and assets; circumvented internal controls, programs and practices designed to insure the accountability for Westar assets; sought to consolidate all power and authority in themselves in ridding the Board of Directors of Westar of outspoken and independent members, reducing the size of the Board when independent members resigned in protest, reducing management, and conducting investigations and monitoring of phone calls of employees to identify employees contacting the press or the Kansas Corporation Commission.

According to the indictment, Wittig and Lake structured a subsidiary, Westar Industries, Inc., to loot assets from the utility and leave debt behind for ratepayers; structured employment agreements with Westar containing “change in control” provisions that allowed Wittig and Lake to dictate the terms and timing under which they left the company while reaping substantial rewards; and hindered the grand jury investigation of their activities including deleting and destroying or attempting to delete and destroy records of Westar.

The indictment further alleges that, as one of the overt acts in furtherance of the conspiracy, Wittig and Lake made systematic use of the corporate aircraft for their person benefit, while falsely reporting such use as being for business. It also alleges that Wittig forbade the company's director of internal auditing from doing an audit on the use of the corporate aircraft.

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If convicted, Wittig and Lake each face a maximum of five years in federal prison, without parole, for conspiracy; a maximum of ten years for circumventing internal accounting controls; a maximum of twenty years for wire fraud; and a maximum of ten years for engaging in a monetary transaction from property derived from an unlawful activity. The case was investigated by the FBI with assistance of the Internal Revenue Service, Criminal Investigation, and is being prosecuted by Assistant U.S. Attorney Rich Hathaway.

As in any criminal case, a person charged with a crime is considered innocent until and unless proven guilty. An indictment merely alleges criminal conduct.

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